

NO_x Annual allowance from the transferor account to the transferee account as specified in the transfer.

(b) A TR NO_x Annual allowance transfer to or from a compliance account that is submitted for recordation after the allowance transfer deadline for a control period and that includes any TR NO_x Annual allowances allocated for any control period before such allowance transfer deadline will not be recorded until after the Administrator completes the deductions from such compliance account under § 97.424 for the control period immediately before such allowance transfer deadline.

(c) Where a TR NO_x Annual allowance transfer is not correctly submitted under § 97.422, the Administrator will not record such transfer.

(d) Within 5 business days of recordation of a TR NO_x Annual allowance transfer under paragraphs (a) and (b) of the section, the Administrator will notify the authorized account representatives of both the transferor and transferee accounts.

(e) Within 10 business days of receipt of a TR NO_x Annual allowance transfer that is not correctly submitted under § 97.422, the Administrator will notify the authorized account representatives of both accounts subject to the transfer of:

- (1) A decision not to record the transfer, and
- (2) The reasons for such non-recordation.

§ 97.424 Compliance with TR NO_x Annual emissions limitation.

(a) *Availability for deduction for compliance.* TR NO_x Annual allowances are available to be deducted for compliance with a source's TR NO_x Annual emissions limitation for a control period in a given year only if the TR NO_x Annual allowances:

- (1) Were allocated for such control period or a control period in a prior year; and
- (2) Are held in the source's compliance account as of the allowance transfer deadline for such control period.

(b) *Deductions for compliance.* After the recordation, in accordance with § 97.423, of TR NO_x Annual allowance transfers submitted by the allowance transfer deadline for a control period in

a given year, the Administrator will deduct from each source's compliance account TR NO_x Annual allowances available under paragraph (a) of this section in order to determine whether the source meets the TR NO_x Annual emissions limitation for such control period, as follows:

(1) Until the amount of TR NO_x Annual allowances deducted equals the number of tons of total NO_x emissions from all TR NO_x Annual units at the source for such control period; or

(2) If there are insufficient TR NO_x Annual allowances to complete the deductions in paragraph (b)(1) of this section, until no more TR NO_x Annual allowances available under paragraph (a) of this section remain in the compliance account.

(c)(1) *Identification of TR NO_x Annual allowances by serial number.* The authorized account representative for a source's compliance account may request that specific TR NO_x Annual allowances, identified by serial number, in the compliance account be deducted for emissions or excess emissions for a control period in a given year in accordance with paragraph (b) or (d) of this section. In order to be complete, such request shall be submitted to the Administrator by the allowance transfer deadline for such control period and include, in a format prescribed by the Administrator, the identification of the TR NO_x Annual source and the appropriate serial numbers.

(2) *First-in, first-out.* The Administrator will deduct TR NO_x Annual allowances under paragraph (b) or (d) of this section from the source's compliance account in accordance with a complete request under paragraph (c)(1) of this section or, in the absence of such request or in the case of identification of an insufficient amount of TR NO_x Annual allowances in such request, on a first-in, first-out accounting basis in the following order:

(i) Any TR NO_x Annual allowances that were allocated to the units at the source and not transferred out of the compliance account, in the order of recordation; and then

(ii) Any TR NO_x Annual allowances that were allocated to any unit and

transferred to and recorded in the compliance account pursuant to this subpart, in the order of recordation.

(d) *Deductions for excess emissions.* After making the deductions for compliance under paragraph (b) of this section for a control period in a year in which the TR NO_x Annual source has excess emissions, the Administrator will deduct from the source's compliance account an amount of TR NO_x Annual allowances, allocated for a control period in a prior year or the control period in the year of the excess emissions or in the immediately following year, equal to two times the number of tons of the source's excess emissions.

(e) *Recordation of deductions.* The Administrator will record in the appropriate compliance account all deductions from such an account under paragraphs (b) and (d) of this section.

§ 97.425 Compliance with TR NO_x Annual assurance provisions.

(a) *Availability for deduction.* TR NO_x Annual allowances are available to be deducted for compliance with the TR NO_x Annual assurance provisions for a control period in a given year by the owners and operators of a group of one or more TR NO_x Annual sources and units in a State (and Indian country within the borders of such State) only if the TR NO_x Annual allowances:

(1) Were allocated for a control period in a prior year or the control period in the given year or in the immediately following year; and

(2) Are held in the assurance account, established by the Administrator for such owners and operators of such group of TR NO_x Annual sources and units in such State (and Indian country within the borders of such State) under paragraph (b)(3) of this section, as of the deadline established in paragraph (b)(4) of this section.

(b) *Deductions for compliance.* The Administrator will deduct TR NO_x Annual allowances available under paragraph (a) of this section for compliance with the TR NO_x Annual assurance provisions for a State for a control period in a given year in accordance with the following procedures:

(1) By June 1, 2015 and June 1 of each year thereafter, the Administrator will:

(i) Calculate, for each State (and Indian country within the borders of such State), the total NO_x emissions from all TR NO_x Annual units at TR NO_x Annual sources in the State (and Indian country within the borders of such State) during the control period in the year before the year of this calculation deadline and the amount, if any, by which such total NO_x emissions exceed the State assurance level as described in § 97.406(c)(2)(iii); and

(ii) Promulgate a notice of data availability of the results of the calculations required in paragraph (b)(1)(i) of this section, including separate calculations of the NO_x emissions from each TR NO_x Annual source.

(2) For each notice of data availability required in paragraph (b)(1)(ii) of this section and for any State (and Indian country within the borders of such State) identified in such notice as having TR NO_x Annual units with total NO_x emissions exceeding the State assurance level for a control period in a given year, as described in § 97.406(c)(2)(iii):

(i) By July 1 immediately after the promulgation of such notice, the designated representative of each TR NO_x Annual source in each such State (and Indian country within the borders of such State) shall submit a statement, in a format prescribed by the Administrator, providing for each TR NO_x Annual unit (if any) at the source that operates during, but is not allocated an amount of TR NO_x Annual allowances for, such control period, the unit's allowable NO_x emission rate for such control period and, if such rate is expressed in lb per mmBtu, the unit's heat rate.

(ii) By August 1 immediately after the promulgation of such notice, the Administrator will calculate, for each such State (and Indian country within the borders of such State) and such control period and each common designated representative for such control period for a group of one or more TR NO_x Annual sources and units in the State (and Indian country within the borders of such State), the common designated representative's share of the total NO_x emissions from all TR NO_x Annual units at TR NO_x Annual